

	Agency Name	Department of Social Services (DSS)
	Chapter No./Name	DSS Policy Manual
	Part No./Name	1/Administrative/Fiscal
	Section No./Name	1-07/Guidelines for Investments Made by Governmental Entities
	Document No./Name	1-07/Guidelines for Investments Made by Governmental Entities
	Effective Date	02/27/97

I. STATEMENT OF POLICY

It is the policy of the Department of Social Services to fully adhere to [LA R.S. 33:2955\(D\)](#) and [R.S. 49:327 B.\(5\) and C.\(1\)\(c\)](#), relative to the investments made by governmental entities; to require all political subdivisions, state departments, boards, commissions, and agencies to adopt a written investment policy; and to provide for related matters.

II. APPLICABILITY

This policy applies to all Offices of the Department of Social Services.

III. IMPLEMENTATION

This policy and subsequent revisions shall become effective upon approval and signature of the DSS Secretary and Undersecretary.

IV. RESPONSIBILITIES

It is the policy of the Department of Social Services to place appropriate emphasis on these goals, listed in order of priority:

- safety of principal
- liquidity, and
- yield.

A. Bank Accounts

Before any bank account may be opened, for any Office of the Department of Social Services, prior approval must be received from the Cash Management Review Board.

It is the policy of the Department of Social Services that deposits in approved bank accounts be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank and to require pledged securities to be equal to or greater than the average daily balance of the previous month.

It is the policy of the Department of Social Services to require that when balances exceed the amount covered by federal deposit insurance, the balance shall be collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.

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It is the policy of the Department of Social Services that under no circumstances, unless specifically stated in the enabling legislation, shall any funds be deposited in derivatives. For purposes of this policy, “derivative” shall mean any financial instrument created from or whose value depends on the value of one or more underlying assets or indexes of asset value.

B. Trust Accounts Established on Behalf of Custodial Children

Before any trust fund is established on behalf of a child in the custody of the Department of Social Services, the Department shall file a motion with the court having jurisdiction over the child and request in the court order that the funds be placed in a trust for the identified child and that the Department be authorized to act as legal representative for the child for the purpose of establishing the trust. These motions are to be filed in situations where an individual child receives a lump sum payment in excess of \$1,500. The trust expires after the beneficiary becomes eighteen years of age (attains the age of majority) or upon the death of the beneficiary, whichever occurs first.

It is the policy of the Department of Social Services that under no circumstances, unless specifically stated in the enabling legislation, shall any funds be deposited in derivatives. For purposes of this policy, “derivative” shall mean any financial instrument created from or whose value depends on the value of one or more underlying assets or indexes of asset value.